



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY DEDICATION FOR GOVERNMENT OWNED AGRICULTURAL LAND.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to provide for the lessees of government owned agricultural land to dedicate their leased lands for vacant agricultural use from the effective date of the lease, license, or permit.

SECTION 2. Section 8-7.3, Revised Ordinances of Honolulu 1990 ("Dedication of lands for agricultural use"), is amended by amending subsections (e) and (m) to read as follows:

"(e) A petition to dedicate land or a portion thereof for a specific agricultural use or as vacant agricultural land shall be filed with the director. An owner of the land may petition for dedication, or with the written authorization of the owner, a lessee, permittee or licensee may petition for dedication of the owner's land. The petition for dedication for a specific agricultural use shall require a declaration that if the petition is approved by the director, the land shall be used for the specific agricultural use for the duration of the dedication period, unless the owner files with the director a land use change cancellation, and a petition for dedication as vacant agricultural land shall require a declaration that if the petition is approved by the director, the land shall be maintained as agricultural land for the duration of the dedication period. The petition for a dedication for a specific agricultural use shall be supported by an agricultural plan. The director shall prescribe the form of the petition and of the agricultural plan. The agricultural plan shall include the following:

- (1) A description of the specific agricultural use;
- (2) A tax map key number of the owner's land;
- (3) A description of the total acreage of the land;
- (4) A description of the acreage to be utilized for the specific agricultural use or as vacant agricultural land;
- (5) A description of the residential homesite area, if any, excluded from the dedication;



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- (6) A timetable for implementation of the plan; and
- (7) A copy of a valid State of Hawaii general excise tax license issued for agricultural purposes.

With the owner's written authorization, lessees, licensees, and permittees of government-owned land not currently in productive agricultural use, may petition to dedicate the government-owned land for a period of 24 months as vacant agricultural land, effective as of the commencement date of the lease, license or permit, provided the petitioner files a subsequent petition for the dedication of the land for a specific agricultural use no later than the next September 1st after 24 months in vacant agricultural use has lapsed. The lessee, licensee, or permittee may petition for a dedication of the land for a specific agricultural use at any time during the 24 months that the land is dedicated to vacant agricultural use. If a petition for the dedication of the land for a specific agricultural use is not filed by the next September 1st after the 24 months in vacant agricultural use has lapsed or if the director disapproves the petition, the property will be subject to rollback taxes and penalties as stated in subsection (m)(3)."

- "(m) In the event the director, upon inspection, finds that dedicated agricultural land is not in substantial and continuous agricultural use, that the land has not been maintained as agricultural land, that the property owner failed to file the required report in a timely manner, or that the required report must be rejected, the owner shall be notified of the finding and the owner shall have 60 days to address the finding. In the event the owner fails to satisfactorily address the finding, the dedication shall be canceled and the property owner shall be subject to a rollback tax and penalty. The rollback tax shall be the difference between the taxes owed for the land at 100 percent of the land's assessed value at fair market value and the taxes actually imposed on the land, retroactive from June 30th of the tax year in which the dedication was canceled to July 1st of the initial year of the dedication at the tax rate applicable for the respective tax years, except as provided in subdivisions (1), ~~and~~ (2), and (3). The penalty shall be 10 percent for each year of the rollback tax. The rollback tax and penalty shall be a paramount lien upon the property.
- (1) For lands dedicated for five years and subject to a cancellation after the third tax year of the dedication period, the period of the rollback tax shall be in accordance with the following schedule:



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- (A) For two tax years for a cancellation in the fourth tax year of the dedication period, retroactive from June 30th of the fourth tax year to July 1st of the third tax year of the dedication period; or
 - (B) For one tax year for a cancellation in the fifth tax year of the dedication period, retroactive from June 30th of the fifth tax year to July 1st of the fifth tax year of the dedication period.
- (2) For lands dedicated for 10 years and subject to a cancellation after the fifth year of the dedication period, the period of the rollback tax shall be in accordance with the following schedule:
- (A) For five tax years for a cancellation in the sixth tax year of the dedication period, retroactive from June 30th of the sixth tax year to July 1st of the second tax year of the dedication period;
 - (B) For four tax years for a cancellation in the seventh tax year of the dedication period, retroactive from June 30th of the seventh tax year to July 1st of the fourth tax year of the dedication period;
 - (C) For three tax years for a cancellation in the eighth tax year of the dedication period, retroactive from June 30th of the eighth tax year to July 1st of the sixth tax year of the dedication period;
 - (D) For two tax years for a cancellation in the ninth tax year of the dedication period, retroactive from June 30th of the ninth tax year to July 1st of the eighth tax year of the dedication period; or
 - (E) For one tax year for a cancellation in the tenth tax year of the dedication period, retroactive from June 30th of the tenth tax year to July 1st of the tenth tax year of the dedication period.
- (3) For government-owned land dedicated as vacant agricultural land for a period of 24 months, in the event that a petition for the dedication of the land for a specific agricultural use is not filed by the next September 1st after the 24 months during which the land is dedicated to vacant agricultural use has lapsed or that the director disapproves the petition, a rollback tax and penalty will be imposed. The rollback tax will be the difference between the taxes owed for the land at 100 percent of the land's assessed value at fair market value and the taxes actually imposed on the land and will be retroactive to the commencement date of the



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lease, license or permit. The penalty will be 10 percent for each year of the rollback tax."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



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SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2016 and thereafter.

INTRODUCED BY:

Ernest Martin (br)

DATE OF INTRODUCTION:

October 27, 2016

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

KIRK CALDWELL, Mayor
City and County of Honolulu